

**2005 Test Package
for e-file of
California Business
Tax Returns**

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**State of California
Franchise Tax Board**
www.ftb.ca.gov

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Section 1 – Introduction

1.1 Welcome

Thank you for participating in California's Business e-file program.

This publication provides the information you need to successfully complete Participant Acceptance Testing (PATs), including test cases, test procedures, and instructions for preparing test material for e-filing business tax returns.

We will begin accepting test transmissions for the upcoming filing season upon the release of this publication.

1.2 Where Can I Get More Information?

For assistance in formatting and transmitting your Business e-file returns or if you have questions regarding the test cases, please contact:

FTB PATS Test Coordinator

Phone: (916) 845-3910
Fax: (916) 845-5340
Email: eTest@ftb.ca.gov

e-Programs Customer Service Unit

Phone: (916) 845-0353
Fax: (916) 845-0287
Email: e-file@ftb.ca.gov
Website: www.ftb.ca.gov/professionals/efile

If you have comments or suggestions regarding the California Business e-file Program or this publication, send them to:

e-file Coordinator, MS F-284
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468
Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 General Information

The FTB follows the e-file Program requirements found in FTB Pubs and IRS Pubs. 1345, 1345A, 4163, 4164 and IRS Revenue Procedure 2000-31 to the extent that they apply to FTB's e-file Program.

Specific California e-file requirements can be found in FTB Publications 1345, 1345B, and 1346B.

You must comply with all the latest FTB publications, forms, and notices governing the California e-file Program.

Section 2 – PATS Procedures

2.1 Who Must Test?

To participate in California's Business e-file Program, the following participant types must meet all PATS requirements contained in this publication:

- Software Developers
- Transmitters
- Electronic Return Originators (EROs) who transmit directly with FTB

Note: Generally, if your software allows you to transmit returns directly to FTB, the software company will provide you with the PATS returns to submit to FTB.

2.2 Before you Test

Prior to testing, all software developers, transmitters, and ERO's transmitting directly with FTB must:

- Obtain an Electronic Transmitter Identification Number (ETIN) through the IRS application process and be enrolled in our e-file Program.
- Must register for a User ID and Password to use our Secure Web Internet File Transfer (SWIFT) system.

Refer to Publication 3112, IRS e-file Application Package for IRS Form 8633 procedures and to FTB Pub 1346B, Section 5, for more information about SWIFT.

You must complete PATS before you can transmit any production returns. Once you successfully complete PATS, we will notify you via email and in writing of your acceptance.

2.3 Testing for Software Developers

The PATS process for Software Developers is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a User ID and password to access the SWIFT communication system.
- For each of your products that your software supports, e-mail the following information to the PATS Coordinator prior to transmitting any test cases:
 - A list of return(s), form(s), and schedule(s) that your software supports.
 - A list of any e-file-specific features that are not supported.
- Prepare the test returns using the applicable PATS test case conditions starting on page 9.

Note: For CA Business e-file PATS we do not supply completed return data. We allow the testing participant to provide the data on the return. We have provided the testing conditions as well as other information we require with the return.

- Transmit the returns using HTTPS or FTPS protocol according to our SWIFT procedures. You may transmit as many test cases as necessary until you receive no error messages or rejects prior to requesting PATS acceptance review.
- Pick up all receipts and acknowledgment (ACK) files from your SWIFT mailbox before requesting PATS acceptance review.
- Notify the PATS Coordinator via email for PATS acceptance review once you have received accepted acknowledgements for all of the test case scenarios.
- Send the Transmission ID and serial number of the return file(s) you want reviewed for PATS Acceptance.
- After the PATS Coordinator validates your test returns, you will be notified of the results via email.
- We will notify you of any problems or irregularities that will require you to correct and re-submit any returns.
- If you have successfully completed PATS, you will be notified via email by the PATS Coordinator and will be mailed an acceptance letter.

2.4 Testing Communications Protocol

You can also use your FTB PATS test cases to test and debug any potential or existing problems with your SWIFT communications protocol. Contact the PATS Coordinator if you encounter any problem you feel is related to our communication system.

All Business e-file returns must be transmitted and accepted using HTTPS or FTPS protocols.

For more information on data communications protocol using SWIFT, see FTB. Pub. 1346B, Section 5.

2.5 Testing for Transmitters and Direct EROs

The PATS process for Transmitters and Direct EROs is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a User ID and password to access the SWIFT communication system.
- Prepare the test returns as instructed by your software company (test returns may be included with your software).
- Transmit the test returns following the instructions included with your software. As a transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day transmissions.
- Notify the e-Programs Customer Service Unit that your test cases are ready for PATS acceptance review.
- After we validate your test returns, we will send an ACK file to your SWIFT mailbox that indicates whether each return was accepted or rejected. You must pick up your ACK files in order to complete PATS.
- If we reject your returns due to formatting (Schema) or transmission errors, contact your Software Developer. After you receive the corrected software, you must retransmit the rejected returns.
- We will notify you via phone or email of your acceptance and will mail an acceptance letter to you.

2.6 Why Test?

The purpose of PATS is to ensure, prior to “live” processing, that:

- Software Developers and Transmitters send returns in the correct format and meet our e-file specifications and have no Business Rule violations.
- Transmitters and Direct ERO's can communicate with our Secure Web Internet File Transfer System (SWIFT) to transmit returns as well as retrieve their receipts and acknowledgement files.
- Transmitters and Direct ERO's understand and are familiar with the mechanics of e-filing business returns to FTB.

A Few Reminders:

- Transmitters must verify they have been accepted into FTB's program before transmitting returns.
- Transmitters must not accept electronic returns from their clients until they have been approved for "live processing."
- Do not send "live" returns as test returns and vice versa. Be sure your Transmission Manifest is correctly set to "T" for Test or "P" for production.

Software Developers must inform their clients that they may use only the accepted version of software. Software Developers should not distribute their software until FTB notifies them of their acceptance.

Section 3 – Finalizing PATS

3.1 Review of Participants Return File

Once you have transmitted the required test cases, the PATS Test Coordinator will validate your final transmission and will notify you if any problems or irregularities are found. Upon successful completion, we will send you a PATS acceptance email followed by an acceptance letter by mail.

3.2 Using Your Own Test Cases

Since every conceivable condition cannot be represented in our test cases, you are welcome to test additional data of your own, *after* you have received PATS Acceptance. We welcome your suggestions for improving our test cases.

Note: Always be sure to choose “T” in your Transmission Manifest to indicate returns are testing.

Section 4 – PATS Test Cases

PATS Test Cases

- California's PATS test package for tax year 2005 consists of 5 test cases.
- California PATS test cases are **not** derived from the PATS test cases located in the Internal Revenue Service (IRS) Publication 4162, *Modernized e-file Test Package for Forms 1120/1120S for Tax Year 2004*.
- Software Developers must successfully complete all test cases included in this package that apply to the business e-file features listed for each of your software products.
- Not all line amounts, forms, schedules etc. that may be required for schema or business rule validations are necessarily listed in the test case scenarios. Consult the latest schema and business rules for complete requirements.

PATS Test Case Information

Unlike IRS PATS, we do not provide completed return data. We instead provide the conditions we require to be included in the test return and allow the software developer or transmitter to provide the return data.

When specified you must attach a copy of the corresponding federal return. We will validate the federal return against the current IRS schema, but no business rule validation will be performed.

You must include at least one of every form and schedule that you support among the returns you submit for Schema validation purpose even if said forms and schedules are not listed on test cases.

We hope you find CA- Business e-file PATS to be a productive process and we thank you for your participation in the e-file program.

TEST CASE # 1

Entity Information: California Corporation Number: **691001**
Federal Employer Identification Number: **95-1000196**
Corporation Name: **Aberdeen Test Inc**
Address: **P.O. Box 550, Sacramento, CA 95812**

Date of Incorporation: 01-01-2005

Type of Corporation: Bank Or Financial (calendar year return)

Form 100: Enter an amount on the following lines, 1, 2, 3, 6, 10, 11, 12, 15, 18, 19, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42a (on line 42a the estimate penalty is greater than zero), and 42b

Form 100, Schedule Q: Question A is marked dissolved.
Question M is answered no.
Question W is marked yes.

Schedule D: Enter an amount on line 7.

Schedule H: Enter 10 or more dividends paid in Part II column a.

Binary Attachments: Attach one or more binary documents.

Use Tax: \$5,000 of taxable items purchased via mail order where sales tax was not paid, in the County of Contra Costa.

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** 4545-5
- **Type of Account:** Checking

Estimate Tax Payments Requested: (Use Direct Deposit banking information)

- **Date of Debit:** 03/15/2006
- **Debit Amount** \$10,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 1stQtrEstimate
- **Daytime Number:** 919-555-1212

TEST CASE # 1 continued

- **Date of Debit:** 06/15/2006
- **Debit Amount** \$10,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 2ndQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 09/15/2006
- **Debit Amount** \$10,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 3rdQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 12/15/2006
- **Debit Amount** \$10,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 4thQtrEstimate
- **Daytime Number:** 919-555-1212

TEST CASE # 2

Entity Information: California Corporation Number: **691002**
Federal Employer Identification Number: **95-2000069**
Corporation: **Bolzano Refund Inc**
Address: **P.O. Box 942840, Sacramento, CA 94240**
Date of Incorporation: **02-01-2005**

Type of Corporation: FASIT (calendar year return)

Form 100: Enter an amount on the following lines, 1, 5, 15, 18, 19 (the amount on line 19 needs to be negative), 27, 37, 38, 39, 40, 42a (on line 42a the estimate penalty is greater than zero), 42b, and 43.

Form 100, Schedule Q: Question A is marked surrendered.
Question M is answered yes.

Schedule D: Enter an amount on the following lines, 1 (on line 1 enter 10 or more Short-Term Capital Gains and Losses entries) and 7.

Schedule R: Enter an amount on the following lines, 1a, 1b, 1c, 4, 6, and 35.

Schedule R-1: Enter an amount on the following lines, 1 column a, 1 column b, 2 column a, 2 column b, 3 column a, 3 column b, 5, and 18a.

Schedule R-3 Enter an amount on line 3 column c.

Schedule R-4 Enter an amount on line 2 column e.

Electronic Funds Withdrawal:

- **Routing Number:** 121000248
- **Account Number:** 956-SDFZ
- **Type of Account:** Checking
- **Date of Debit:** 03/15/2006
- **Account Period Ending:** 12/2005
- **Payment Type:** Return
- **Daytime Number:** 919-555-1212

TEST CASE # 2 continued:

Estimate Tax Payments Requested: (Use Direct Deposit banking information)

- **Date of Debit:** 03/15/2006
- **Debit Amount** \$15,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 1stQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 09/15/2006
- **Debit Amount** \$40,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 3rdQtrEstimate
- **Daytime Number:** 919-555-1212

TEST CASE # 3

Entity Information: California Corporation Number: **691003**
Federal Employer Identification Number: **77-3000196**
Corporation: **Chambal Estimate Inc**
Address: **7575 Metropolitan Dr, San Diego, CA 92108**
Date of Incorporation: **03-01-2005**

Type of Corporation: FASIT (Fiscal Year, tax year beginning 0305 and ending 0206)

Form 100: Enter amounts on the following lines, 1, 27, 28, 38, 39, 40, 42a (on line 42a the estimate penalty is equal to zero), and 42b

Schedule Q: Question A is marked merged.
Question E enter a Principal Business Activity Code

Schedule F: Enter an amount on the following lines, 2, 4, 8, 9, 20, and 30

Schedule P: Enter an amount on the following lines, 1, 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, 2k, 2l, 3a, 3b, 3c, 3d, 3e, 3f, 4a, 4b, 5f, 6, 15, 16, and 17

Use Tax: \$25,000 of taxable items purchased via mail order where sales tax was not paid, in the County of Sacramento.

Electronic Funds Withdrawal

- **Routing Number:** 121000248
- **Account Number:** 53-SDFZ
- **Type of Account:** Checking
- **Date of Debit:** 05/15/2006
- **Account Period Ending:** 02/2006
- **Payment Type:** Return
- **Daytime Number:** 919-555-1212

TEST CASE # 4

Entity Information: California Corporation Number: **691004**
Federal Employer Identification Number: **94-4000196**
Corporation: **Champagne Extension Inc**
Address: **1515 Clay Street PMB 634, Oakland, CA 94612**
Date of Incorporation: **04-01-2005**

Type of Corporation: FASIT (calendar year return)

Form 100: Enter amounts on the following lines, 1, 3, 6, 10, 25, 26, 32, 34, 36, 37, 42a (on line 42a the estimate penalty is greater than zero), and 43.

Form 100, Schedule Q: Question A is marked merged.
Question K, a, b, and c are marked yes.
Question T is marked yes.

Schedule F: Enter an amount on line 17.

Schedule H: Enter 10 or more dividends paid in Part I column a.

Schedule J: Enter an amount on line 6.

Schedule A: Enter an amount on column c.

Form 3523: Enter an amount on the following lines, 17b, and 39b.

TEST CASE # 5

Entity Information:	California Corporation Number: 691006 Federal Employer Identification Number: 95-6000196 Corporation: Ionian Corporation Address: 4300 Long Beach Blvd, Long Beach, CA 90807 Date of Incorporation: 06-01-2005
Type of Corporation:	FASIT (calendar year return)
Form 100:	Enter an amount on the following lines, 1, 2, 3, 6, 10, 11, 12, 15, 18, 19 (the amount on line 19 needs to be negative), 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42a (on line 42a the estimate penalty is greater than zero), and 42b.
Form 100, Schedule Q:	Question A is marked <u>dissolved</u> . Question M is answered <u>no</u> . Question W is marked <u>yes</u> .
Schedule A:	Enter an amount on column c.
Schedule D:	Enter an amount on the following lines, 5 (on line 5 enter 10 or more Long-Term Capital Gains and Losses entries) and 7.
Schedule F:	Enter an amount on the following lines, 2, 4, 5b, 8, 9, 10, 17, 20, 30, and attach a schedule for lines 5b and line 10.
Schedule H:	Enter 10 or more dividends paid in Part I and Part II, column a.
Schedule J:	Enter an amount on line 6
Schedule P:	Enter an amount on the following lines, 1, 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, 2k, 2l, 3a, 3b, 3c, 3d, 3e, 3f, 4a, 4b, 5f, 6, 15, 16, and 17.
Schedule R:	Enter an amount on the following lines, 1 column a (SCHR-010), 1b, 1c (SCHR-020), 4 (SCHR-030), 6 (SCHR-040), and 35 (SCHR-050)
Schedule R-1:	Enter an amount on the following lines, 1 column a (SCHR-060), 1 column b, 2 column a, 2 column b, (SCHR-070), 3 column a, 3 column b, (SCHR-080), 5 (SCHR-090), and 18a
Schedule R-3	Enter an amount on line 3 column c (SCHR-030)
Schedule R-4	Enter an amount on line 2 column e (SCHR-040).

TEST CASE # 5 continued:

Form 3523: Enter an amount on the following lines, 17b, and 39b

Use Tax: \$9,000 of taxable items purchased via mail order where sales tax was not paid, in the County of Sacramento.

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** 9811-5
- **Type of Account:** Savings

Estimate Tax Payments Requested: (Use Direct Deposit banking information)

- **Date of Debit:** 03/15/2006
- **Debit Amount** \$50,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 1stQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 06/15/2006
- **Debit Amount** \$100,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 2ndQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 09/15/2006
- **Debit Amount** \$50,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 3rdQtrEstimate
- **Daytime Number:** 919-555-1212

- **Date of Debit:** 12/15/2006
- **Debit Amount** \$200,000
- **Account Period Ending:** 12/2006
- **Payment Type:** 4thQtrEstimate
- **Daytime Number:** 919-555-1212